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**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

Commodity Futures Trading Commission,

Plaintiff,

v.

Ooki DAO (formerly d/b/a bZx DAO), an
unincorporated association,

Defendant.

**DECLARATION OF BRITTNE
SNYDER IN SUPPORT OF
PLAINTIFF'S OPPOSITION TO
MOTIONS FOR
RECONSIDERATION PURSUANT
TO 28 U.S.C. § 1746**

I, Brittne Snyder, declare pursuant to 28 U.S.C. § 1746 based upon my personal
knowledge as follows:

1. I am over 21 years of age and am legally fit and qualified to testify in a court of
law.
2. I am employed as a Paralegal by the Division of Enforcement ("Division") of the
Commodity Futures Trading Commission ("Commission"), located at 2600 Grand Boulevard,
Suite 210, Kansas City, Missouri 64108.

1 3. As a Paralegal in the Division, my duties include taking steps to facilitate service
 2 of process on investigation subjects and litigation counterparties, including researching corporate
 3 registration statuses on state registration websites to identify contact information and registered
 4 agents for service of process; researching individuals and entities using additional open-source
 5 and licensed tools to identify the same; and coordinating with process servers to facilitate service
 6 of process.
 7

8 4. I have personal knowledge of the facts stated herein, and if called to testify, I
 9 could and would competently testify to the same.

10 5. The Ooki DAO's website (ooki.com) links to the Ooki DAO's Telegram channel,
 11 a chat messaging platform. After filing the complaint on September 22, 2022, I requested and
 12 received access to that channel and observed the following:
 13

- 14 • Multiple participants in the Telegram channel discussed the Commission's
 15 complaint against the Ooki DAO. In response to a question from one participant,
 16 a person listed as "Frank" (who is designated as a "Community admin") stated
 17 that "i'm sure there will be an official statement from the OokiDAO team soon."
 In response to a question from another participant as to when that official
 18 statement would occur, the user named Frank stated "[t]he article is one day old
 let's give it some time."
- 19 • In total, I observed at least 49 messages within the Ooki DAO's Telegram channel
 discussing the Commission's complaint against the Ooki DAO.

20 6. Separately, the Ooki DAO website links to an online forum for holders of Ooki
 21 Tokens to discuss and vote on Ooki DAO governance issues (forum.ooki.com) ("Online
 22 Forum"). A December 14, 2021 post accessible from that site is titled "Welcome to the Ooki
 23 DAO Governance Forum!" and states "The purpose of this forum is to share and discuss
 24 proposals for potential implementation by the Ooki DAO. If you're looking for in-depth
 25 discussion regarding the future development direction of Ooki then look no further. We expect
 26 this forum to be populated by participants within the projects *[sic]* expanding ecosystem. If you
 27
 28

1 hold Ooki Tokens, use the protocol, or plan on developing/are developing on the protocol this is
2 the place to be!”

3 7. On September 27, 2022, a post appeared in the Ooki DAO’s Online Forum titled
4 “Future of Ooki DAO” that was “geared towards beginning discussion among DAO community
5 members as to the appropriate response to the CFTC complaint.” That full initial post and all
6 responses thereto are attached hereto as Exhibit A. A screenshot of a portion of this post taken
7 directly from the Ooki Forum website is included on page 8 of the CFTC’s concurrently filed
8 Opposition to Motions for Reconsideration (“Opposition”).

9
10 8. In addition, after filing the complaint on September 22, I monitored the Ooki
11 DAO’s Twitter handle (@OokiTrade) as well as Twitter generally for discussions of the
12 Commission’s complaint against the Ooki DAO. On September 28, 2022, the Ooki DAO’s
13 official Twitter account tweeted that “DAO members have kicked off a discussion regarding the
14 CFTC complaint” and invited DAO members to join this discussion on the above Online Forum
15 thread. That tweet is attached hereto as Exhibit B. A screenshot of a portion of this tweet taken
16 directly from Twitter’s website is included on page 2 of the Opposition.

17
18 9. On October 10, 2022, following the discussion in the Online Forum, the Ooki
19 DAO held a non-binding “snapshot vote” regarding potential responses to the Complaint to
20 gauge support for these proposals. A copy of the publicly accessible online record of that
21 snapshot vote is attached hereto as Exhibit C. A screenshot of a portion of this online record
22 taken directly from the snapshot.org website is included on page 9 of the Opposition.
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1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed November 14, 2022, at Kansas City, Missouri.

4 /s/ Brittne Snyder
5 Brittne Snyder
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Exhibit A

Future of Ooki DAO Forum Post from September 27, 2022

Future of Ooki DAO

notroman

Sep 27

On September 22, 2022 the CFTC [published on their website](#) an announcement that a civil complaint was filed against Ooki DAO alleging Ooki DAO voting members violated provisions of the Commodities Exchange Act (CEA) in connection with developing a decentralized margin trading blockchain protocol and failing to utilize KYC for platform participation as required by CEA regulations.

This Ooki DAO forum post is geared towards beginning discussion among DAO community members as to the appropriate response to the CFTC complaint. Potential actions could include any of the following:

- Ooki DAO voting to approve allocating Ooki treasury funds to be spent to retain legal counsel to represent Ooki DAO members.
- Ooki DAO voting to approve allocation of Ooki treasury funds for the DAO to continue operating and any future contingency runway.
- Ooki DAO voting to approve submitting a legal defense fund grant request on Gitcoin for members of the broader blockchain and DeFi community to support the legal defense of Ooki DAO.
- Ooki DAO voting to approve releasing an NFT to support Ooki DAO legal defense.

Based on the theory articulated in the CFTC complaint, all DAO token holders could be found liable for any alleged wrongdoing based on DAO voting participation. As a result of this, the outcome of the Ooki DAO CFTC case could serve as precedent for other DAO's in the cryptocurrency space and have far reaching implications for the entire cryptocurrency space as it pertains to liability of DAO voting members.

Among DAO's offering DeFi services such as trading, margin and lending [Aave DAO](#), [Compound DAO](#), [Abracadabra DAO](#), [Sushi DAO](#), [Kyber DAO](#), [Lido DAO](#), [Uniswap DAO](#), [Gitcoin DAO](#), and [countless others](#) would all be impacted by this litigation as the CFTC alleges that all DAO voting members are individually liable for voting in DAO's.

Because of the impact the legal matter between Ooki DAO and the CFTC may have on the cryptocurrency industry, some have stated that it is important Ooki DAO receive donations to support legal defense and legal support from the cryptocurrency community. Insofar as all DAO's have a stake in the outcome, broad community support of Ooki DAO's legal defense is critical.

Following the announcement of the CFTC complaint, various [cryptocurrency](#) publications, [twitter commentators](#), and legal blockchain associations have expressed concern with the CFTC's approach alleging "regulation by enforcement". Some [twitter commentators](#) speculated [Skip to main content](#) :] targeting smaller players with fewer resources to establish favorable precedents.

Exhibit A



ross
@z0r0zzz

Ok, so today the CFTC fined Ooki DAO and its members as an "unincorporated association" to tune of \$250k —

This is a very broad theory of liability ("joint and several") and confirms what crypto lawyers have suspected —

[cftc.gov/PressRoom/Pres...](https://cftc.gov/PressRoom/PressReleases)

Let's untangle things: <https://t.co/zuGXoh2mmX>

CFTC Imposes \$250,000 Penalty Against bZeroX, LLC and Its Founders and Charges Successor Ooki DAO for Offering Illegal, Off-Exchange Digital-Asset Trading, Registration Violations, and Failing to Comply with Bank Secrecy Act

CFTC Order Finds, and Complaint Alleges, Ooki DAO is Liable as an Unincorporated Association

September 22, 2022

Washington, D.C. — The Commodity Futures Trading Commission today issued an order simultaneously filing and settling charges against respondent **bZeroX, LLC** (bZeroX) and its founders **Tom Bean** (Bean) and **Kyle Kistner** (Kistner) (collectively, respondents) for illegally offering leveraged and margined retail commodity transactions in digital assets; engaging in activities only registered futures commission merchants (FCM) can perform; and failing to adopt a customer identification program as part of a Bank Secrecy Act compliance program, as required of FCMs.

The respondents engaged in these activities in connection with a decentralized blockchain-based software protocol that functioned similarly to a trading platform. The order requires the respondents to pay a \$250,000 civil monetary penalty and to cease and desist from further violations of the Commodity Exchange Act (CEA) and CFTC regulations, as charged.

Simultaneously, the CFTC filed a federal civil enforcement action in the U.S. District Court for the Northern District of California charging the **Ooki DAO**—a decentralized autonomous organization and successor to bZeroX that operated the same software protocol as bZeroX—with violating the same laws as the respondents. The CFTC seeks restitution, disgorgement, civil monetary penalties, trading and registration bans, and injunctions against further violations of the CEA and CFTC regulations, as charged.

2:51 AM - 23 Sep 2022 ❤️ 230 ↻ 62



6529
@punk6529

1/ The CFTC b7X/Ooki enforcement action is interesting because of the last paragraph,
[Skip to main content](#) C just looked through the DAO or "DAO" and said it is an

unincorporated association and the individuals are responsible.

cftc.gov/PressRoom/Pres... https://t.co/iXRvDkP_LMR

As the order finds and as alleged in the complaint, on approximately August 23, 2021, bZeroX transferred control of the bZx Protocol to the bZx DAO, which subsequently renamed itself and is currently doing business as the Ooki DAO. The Ooki DAO operates the Ooki Protocol (formerly the bZx Protocol) in the exact same manner as bZeroX and thus is continuing to violate the law in the same manner as bZeroX. By transferring control to a DAO, bZeroX's founders touted to bZeroX community members the operations would be enforcement-proof—allowing the Ooki DAO to violate the CEA and CFTC regulations with impunity, as alleged in the federal court action. The order finds the DAO was an unincorporated association of which Bean and Kistner were actively participating members and liable for the Ooki DAO's violations of the CEA and CFTC regulations.

10:23 PM - 22 Sep 2022 ♥ 430 ↻ 150



db
[@tier10k](#)

"The Commission defines the Ooki DAO unincorporated association as those holders of Ooki tokens that have voted on governance proposals with respect to running the business"

If you are an Ooki token holder who voted on governance proposals you just got charged...
twitter.com/tier10k/status...

db [@tier10k](#)

[DB] CFTC Charges Ooki DAO for for "Offering Illegal, Off-Exchange Digital-Asset Trading, Registration Violations, and Failing to Comply with Bank Secrecy Act"

9:59 PM - 22 Sep 2022 ♥ 480 ↻ 130



Hsaka
[@HsakaTrades](#)

a16z probably offering their legal team to Ooki to fight this one.

No one is more incentivized than them to make sure this doesn't set some precedents.
twitter.com/tier10k/status...

db [@tier10k](#)

[Skip to main content](#) defines the Ooki DAO unincorporated association as those holders of Ooki tokens that have voted on governance proposals with respect to running the

Exhibit A

business" If you are an Ooki token holder who voted on governance proposals you just got charged... <https://t.co/eqek0aD3wU>

10:14 PM - 22 Sep 2022 ❤️ 270 ↻ 15



Rodrigo
@RSSH273

1/ The CFTC's complaint against Ooki DAO was a mistake that reveals a lack of understanding of crypto and continues the unfortunate trend of regulation by enforcement without the necessary industry guidance or the availability of real options for compliance

12:27 AM - 24 Sep 2022 ❤️ 170 ↻ 35



ross
@z0r0zzz

Ok, so today the CFTC fined Ooki DAO and its members as an "unincorporated association" to tune of \$250k —

This is a very broad theory of liability ("joint and several") and confirms what crypto lawyers have suspected —



6529
@punk6529

1/ The CFTC bZX/OoKi enforcement action is interesting because of the last paragraph, namely that the CFTC just looked through the DAO or "DAO" and said it is an unincorporated association and the individuals are responsible.

[cftc.gov/PressRoom/Pres...](https://cftc.gov/PressRoom/PressReleases)



db
@tier10k

"The Commission defines the Ooki DAO unincorporated association as those holders of Ooki tokens that have voted on governance proposals with respect to running the business"

If you are an Ooki token holder who voted on governance proposals you just got charged...



Hsaka
@HsakaTrades

a16z probably offering their legal team to Ooki to fight this one.

No one is more incentivized than them to make sure this doesn't set some precedents.



db @tier10k · Sep 22

"The Commission defines the Ooki DAO unincorporated association as those



Rodrigo
@RSSH273

1/ The CFTC's complaint against Ooki DAO was a mistake that reveals a lack of understanding of crypto and continues the unfortunate trend of regulation by enforcement without the necessary industry guidance or the availability of real options for compliance

8:27 PM · Sep 23, 2022 · [Twitter Web App](#)

This concern was echoed in the CFTC's dissent. Among CFTC chair members, there are also dissenting viewpoints of optimal paths forward in relation to DAO token holder liability. Some insight into this were provided in the recent [dissenting statement](#) of Commissioner Summer K. Mersinger:

"We cannot arbitrarily decide who is accountable for those violations based on an unsupported legal theory amounting to regulation by enforcement while federal and state policy is developing... I cannot agree with the Commission's approach of determining liability for DAO token holders [Skip to main content](#) tion in governance voting... Although there are no allegations of any fraud having occurred here, we all are mindful of the need to protect customers who are participating in

Exhibit A

the largely unregulated crypto space. But those good intentions do not entitle the Commission to act through enforcement without proper legal authority, notice, or public input.”

There is still time to help shape the future of DeFi regulation. Let's come together and decide the next course of action.

Frank 

Sep 28

My thoughts, we should do all of the above. All of it.

- Vote to approve allocating funds to provide OokiDAO members legal counsel.
- Vote to approve allocating funds to continue our operations.
- Vote to approve submitting a legal defense fund grant request on Gitcoin to get support for our legal defense from the entire DeFi space out there.
- Vote to approve releasing an NFT to support the OokiDAO legal defense.

I also would like to **reach out** to the other DAO's out there providing DeFi services such as trading, margin trading and lending like the DAO's pointed out in the article above.

I think once we have structured our defenses, we definitely need to reach out to the other DeFi platforms to join forces.

They are targeting us now, the little guy, thats Ooki. But **this is just the beginning**, so lets do something about it, together.

0xOsama

Sep 28

I think the most important thing right now is publicity. lets get this link posted everywhere so that general crypto community get involved. Please post on twitter and tag relevant people.

Second I agree with all 4 points:

1. create vote allocate treasury
2. allocate funds for contingency
3. build a legal defense budget
4. NFT

analybits

Sep 28

Hello Guys,

I am rasis from Analybits.xyz

We are a global blockchain legal services firm. I would like to offer legal support to the Dao.

We have very strong legal and blockchain experience, and we believe we can contribute a lot to

[Skip to main content](#) / the dao face.

We can either can manage and build the DAO legal strategy or/also can prepare the defense or

Exhibit A

can prepare the legal expert witness report.
for a recent research, you can check (analybits.xyz/tornado)

MAC10**Sep 28**

Which other references do you and your team have?

analybits**Sep 28**

Portfolio companies' valuation is a couple of billion\$. Due to respect, I don't like exposing their name and how we contributed a lot since the disputes were handled privately. We assisted a lot of projects, from top 10 cmc to small caps. Some of them took our advice; some did not, and some did not take any legal advice at all.

For example, I have some concerns for the future of Ooki Dao too, but I don't write here since third parties can consider a weak spot and take action against the dao if my worries are correct.

0xOsama**Sep 28**

I think we should reach to Morrison Cohen, if I am not mistaken they help bZeroX to reach settlement and they most probably have the deepest knowledge of the case.

Morrison Cohen LLP

Morrison Cohen is an international law firm with attorneys specializing in all areas of law including international arbitration, real estate, mergers & acquisitions, and business law.

0xOsama**Sep 28**

looks like this is him [Jason P. Gottlieb | Morrison Cohen LLP](#)

AnhThu**Sep 29**

I agree with all of the above suggestions and will support all later ideas that try to help ooki in particular and defi in general.

Also, if there is a usdt or busd address created so that the community can easily transfer funds to support ooki that would be great. Many a little makes a mickle; Together we can change the world. I believe so.

- [Skip to main content](#)

analybits**Sep 30**
Exhibit A

Won't it be a conflict of interest?

They helped one of the parties, and they settled. Do you know the details of the talks and settlement?

Exhibit B

Tweet from Ooki DAO from September 28, 2022



Home

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Messages

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Tweet

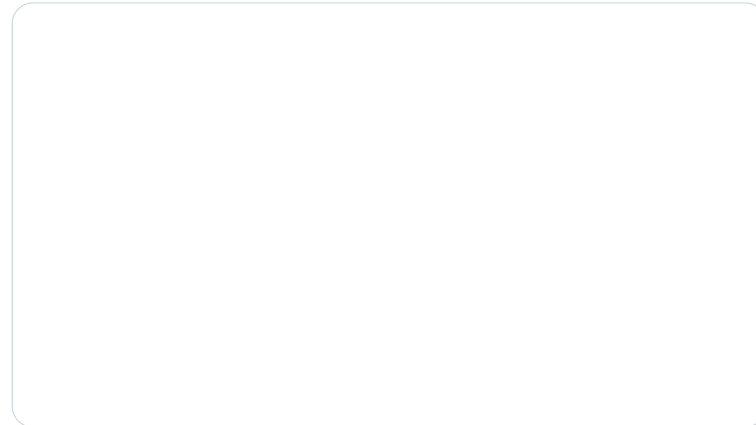
← Tweet

Ooki 
@OokiTrade

DAO members have kicked off a discussion regarding the CFTC complaint against #Ooki DAO governance participants.

This complaint will have an impact on the whole #DeFi sector!

Join our forum and discuss with us. 
forum.ooki.com/t/future-of-oo...



9:50 AM · Sep 28, 2022 · Twitter Web App

20 Retweets · 1 Quote Tweet · 62 Likes



Tweet your reply

Reply

Merry pham @merrypham1992 · Sep 30

Replying to @OokiTrade

Bao giờ tăng giá 1\$ 😊

KIKO Crypto HODL  @kikoeortega · Sep 28

Replying to @OokiTrade

#Ooki



Coinity trader @TraderCoinity · Sep 29

Replying to @OokiTrade

So what?



Maggie @maggieesq · Sep 29

Replying to @OokiTrade

There are arguments to be made as to why the CFTC does not have jurisdiction. This is a novel action for the CFTC to go after a DAO. The CFTC is not new to novel though; they had also been first to go after a Bitcoin trading platform. That must have been seven years ago by now.

BSnyder

@BSnyder13695372

Search Twitter

Relevant people

Ooki 
@OokiTrade

Ooki, the only DeFi need to trade, staki crypto. Join here: t...

What's happening

US elections · LIVE

Voters look ahead to the upcoming 2022 midterm elections 🇺🇸

Trending in United States

H3H3

6,810 Tweets

Trending in United States

Miami

135K Tweets

War in Ukraine · LIVE

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Television · Last night

The Rookie airing on ABC

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Exhibit B



Show

...

Exhibit C

Ooki DAO Snapshot Proposal from October 10, 2022



snapshot

Connect wallet

[← Back](#)

Future of Ooki DAO

Closed



Ooki by 0x70FC...C6B6

Core



Following discussion in the forum, this snapshot vote would approve the initiatives discussed in the forum proposal here and an additional point to enable geofencing:

<https://forum.ooki.com/t/future-of-ooki-dao/456>

Enabling Geofencing to prohibit usage of the Ooki frontend for users based in the US.

Specifically, this snapshot vote would approve the following proposals:

Allocation of Ooki treasury funds to be spent on legal defense of any DAO members named in a complaint.

Allocation of Ooki treasury funds for the DAO to continue operating and future contingency runway.

Creating a legal defense fund grant request on Gitcoin for members of the broader blockchain and DeFi community to support the legal defense of Ooki DAO.

Releasing an NFT to support Ooki DAO contingency.

[Show less](#)**Discussion****Exhibit C**



Future of Ooki DAO

On September 22, 2022 the CFTC published on their website an announcement t...

Votes 4



0x02c6...0C6e	Yes	80M OOKI <i>n</i>
0x9B43...9E93	Yes	37M OOKI <i>n</i>
0xE9d5...D382	Yes	20M OOKI <i>n</i>
0x9cD2...A557	Yes	16K OOKI <i>n</i>

Information

Strategie(s)



IPFS

#bafkrei

Voting system

Single choice voting

Start date

Oct 10, 2022, 12:00 PM

End date

Oct 13, 2022, 12:00 PM

Snapshot

15,718,767

Results

Yes	137M OOKI 100%
No	0 OOKI 0%

